**Private Participation in Insurance Sector**

2972. SHRI RAJNATH SINGH SURYA:
SHRI GURUDAS DAS GUPTA:

Willl the Minister of FINANCE be pleased to state:

(a) whether Government have worked out details of recently announced policy of allowing private participation in insurance sector;

(b) if so, the details thereof; and

(c) what would be the status of foreign companies if invited by private companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARATHANAM): (a) to (c) In the Budget Speech 1998-99, it has been announced that the insurance sector would be opened to competition from private Indian companies. The Insurance Regulatory Authority would be converted into a statutory body. Necessary legislation would be introduced latter in the year. Details are being worked out.

**विदेशी मुद्रा विनियमन अधिनियम में संशोधन**

2973. श्री जनार्दन यादव: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार विदेशी मुद्रा विनियमन अधिनियम एफ०ई०आर०ए० में संशोधन करने का विचार रखती है;

(ख) यदि हां, तो इसके क्या उद्देश्य हैं; और

(ग) क्या विदेशी मुद्रा विनियमन अधिनियम के उल्लंघन के मामले में फंसे कुछ बड़े लोगों को बचाने के लिए इसमें संशोधन किया जा रहा है?

वित्त मंत्री (श्री यशवंत सिन्हा): (क) सरकार ने विदेशी मुद्रा विनियमन अधिनियम, 1973 को निरस्त करने और उसके स्थान पर विदेशी मुद्रा प्रबंध अधिनियम (फेमा) को प्रतिस्थापित करने का प्रस्ताव किया है। इस नए अधिनियम का प्रारूप सरकार के विचाराधीन है।

(ख) विदेशी मुद्रा विनियमन अधिनियम, 1973 की 1993 में पुनरीक्षा की गई थी और यह महसूस किया गया था कि अधिनियम, 1973 के विश्व अर्थव्यवस्था के साथ अनेक प्रतिबंधित उपबंधो को, वर्तमान सुधारों के फलस्वरूप भारतीय अर्थव्यवस्था के बढ़ते हुए एकीकरण की तर्ज पर सुधारने की आवश्यकता है। भारतीय रिजर्व बैंक के कार्यदल ने भी विदेशी मुद्रा विनियमन अधिनियम 1973 में पर्याप्त परिवर्तन किए जाने की सिफारिश की है। बदले हुए वातावरण को ध्यान में रखते हुए विदेशी मुद्रा प्रबंध विधेयक सरकार के विचाराधीन है।

(ग) जी, नहीं।

**Non-payment of Matured Fixd Deposits by DCM Limited to Investors**

2974. SHRI DEBABRATA BISWAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that DCM Ltd. has not yet returned the fixed deposit amounts to the public invested by them in the company although the amounts matured for repayment nearly a year back;

(b) if so, the reasons therefor and the total amount involved;

(c) whether it is also a fact that the representation of the investors to the Company Law Board and Company Law Department brought no favourable reply; and

(d) what steps are proposed to be taken to compel the company to fulfil its contractual commitment to the investing public and repay the amount togetherwith upto date interest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): As DCM Ltd. is not an NBFC, it is not coming under the regulatory and supervisory framework of the RBI and as such RBI has no information to furnish. However, Ministry of Law Justice & Company Affairs, Department of Company Affairs, who regulate the activities of DCM Ltd. have informed as under:-

(a) It is fact that the DCM Ltd. has not repaid fixed deposits on maturity.

(b) According to the company, the liquidity of the company has been severly affected due to delay of cash flow from its real estate project. The total amount of outstanding deposits as on date is as under:-

| Category | Numbers | Amount (Lac/Rs.) |
|---|---|---|
| Shareholders | 848 | 159.75 |
| General Public | 13454 | 2313.02 |
| Total | 14302 | 2472.77 |

(c) and (d) The Company Law Board had directed the company on 23.04.98 to make payment to all the 14 depositors who had filed applications before it along with interest at the contracted rate on or before 10th May, 1998. The Company has also been directed to refund the sum of Rs. 50/- paid by each of the depositors as filing fee. The Company Law Board has received 474 more applications from the depositors which were placed before the Board on 03.07.98. The Board directed the company to prepare a scheme for payment of overdue deposits and furnish the same to the Comapany Law Board within 10 days.

**Frauds in Public Sector Banks**

2975. SHRI GURUDAS DAS GUPTA:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) the bank-wise number of frauds detected in public sector banks and the amount involved therein during the year 1996, 1997 and 1998 so far; and:

(b) the details of the action taken against delinquent employees/officers of these banks for their involvement in the frauds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Information relating to number of frauds reported by public sector banks to Reserve Bank of India (RBI) and amount involved therein during the years 1996, 1997 and 1998 (upto March, 1998) is given at Annexure (*See* Appendix 184 Annexure No. 82)

(b) The position as reported by RBI regarding action taken by public sector banks in the years 1996 and 1997 against the delinquent officials for involvement in frauds is as under:—

(a) No. of official convicted 103

(b) No. of officials awarded major/ minor penalties 2693

(c) No. of officials dismissed/ discharged/removed 719

**Excise duty evasion by M/s. Padmini Polymers Limited**

2976. SHRI GOPALSINH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have investigated the volume of Central Excise Duty evaded and also fraudulently withdrawn drawback duty worth several crores of rupees against fictitious export of CDs (Compact Discs) by CEO and staff of M/s. Padmini Polymers Limited., Okhla, New Delhi;

(b) if so, the details thereof;

(c) the total loss of Government Exchequor;

(d) the details of efforts made or taken by Government as well as the Central Revenue agencies to recover the amount; and

(e) what legal action is contemplated by Government and agencies against the CEO-PPL in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (e) Yes Sir, The Director General Anti-Evasion, New